Law Offices
HOLLAND & KNIGHT LLP

2099 Pennsylvania Avenue, N.W.
Suite 100
Washington, D.C. 20006-6801

Telephone: 1-202-955-3000
Telefax: 1-202-955-5564
www.hklaw.com

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Bethesda
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*Affiliated Office

FREDERICK P. WAITE
Direct Dial: 1-(202) 828-5087
E-Mail: fwaite@hklaw.com

KIMBERLY R. YOUNG
Direct Dial: 1-(202) 828-5094
E-Mail: kyoung@hklaw.com

November 13, 2001

VIA E-MAIL

PUBLIC VERSION

The Honorable Robert B. Zoellick
U.S. Trade Representative
OFFICE OF THE U.S. TRADE REPRESENTATIVE
600 17th Street, N.W.
Washington, D.C. 20508

Confidential Business Information Has Been Deleted from Pages 2 and 3 of This Letter and from Attachments 1 through 5

cc: Mr. Andrew Stephens
DIRECTOR FOR STEEL TRADE POLICY

Re: *Exclusion Request for Shipbuilding Steel Products*
Section 201 Investigation — Steel

Dear Mr. Ambassador:

On behalf of RAUTARUUKKI OYJ, a Finnish producer of steel products, we respectfully request the exclusion of the following specialty shipbuilding steel profiles from any proposed remedy in this Section 201 investigation: (1) bulb flats, (2) T-bulb flanges, (3) T-bulb profiles, (4) L-profiles, and (5) millimetric universal mill plate. In accordance with the notice published by the OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE on Friday, October 26, 2001, regarding

the submission of exclusion requests,[1] we hereby provide in Attachments 1 through 5 the requested supporting information on each of these products.[2]

Each of the products discussed in this exclusion request is a specialized steel product used in shipbuilding and offshore applications. These products are manufactured by RAUTARUUKKI's wholly-owned subsidiary, RAUTARUUKKI PROFILER AS (formerly FUNDIA PROFILER) of Norway,[3] and marketed in the United States by PREMIER STEEL INC., of Englewood, New Jersey.[4] In the case of two of these products — T-bulb flanges and T-bulb profiles — RAUTARUUKKI PROFILER AS has developed a proprietary shape unavailable from any other producer. Patents are pending on both of these products.[5] Additionally, U.S. shipyards are [

].

Like T-bulb flanges and T-bulb profiles, there is no U.S. production of bulb flats, L-profiles, or millimetric universal mill plate for structural applications in shipbuilding. If no exclusion is granted for these products, U.S. consumers will have no way to obtain these critical shipbuilding components. RAUTARUUKKI PROFILER AS has [

].

1/ *Trade Policy Staff Committee: Public Comments on Potential Action under Section 203 of the Trade Act of 1974 with Regard to Imports of Certain Steel*, 66 Fed. Reg. 54,321 (October 26, 2001) (hereinafter, the "*TPSC Public Comments Notice*").

2/ For ease of reference, we have provided in Attachments 1 through 5 the information required for each product in the same sequence in which it was requested in the *TPSC Public Comments Notice*.

3/ *See* Exhibit A (Product Brochure: "*Shipbuilding Profiles*").

4/ *See* Exhibit B (PREMIER STEEL Brochure).

5/ The T-bulb flange is engineered as a symmetrical shape with rounded features and angled sides that have a built-in self-draining feature. The T-bulb profile combines high strength with reduced weight and surface area, all in a compact form while extending the lowest K-factor (fatigue) rating of any current symmetrical shipbuilding profile.

Similarly, L-profiles have been [
]. With no domestic mill capable of supplying these specialty shipbuilding steel products, a successful exclusion request is the only way to assure future access. Finally, RAUTARUUKKI PROFILER AS has [

]. There were no known U.S. commercial shipments of this product from U.S. producers between 1996 and 2001. Accordingly, millimetric universal mill plate should also be excluded from any potential remedy imposed in this investigation.

Additional details and data on each of these products are provided in the attachments to this submission, as well as throughout nonconfidential Exhibits A through F which are contained in the accompanying ADOBE Acrobat (".pdf") file. In accordance with the *TPSC Public Comments Notice*, we are submitting this exclusion request not later than noon on Tuesday, November 13, 2001. In addition, we have elected to file this request electronically to FR0001@ustr.gov, as provided in the *TPSC Public Comments Notice*.

* * *

RAUTARUUKKI and PREMIER STEEL request proprietary treatment for confidential business information deleted from pages 2 and 3 of this letter and throughout Attachments 1 through 5 of this submission, which contain information related to RAUTARUUKKI's and PREMIER STEEL's marketing practices. Disclosure of such information would cause substantial competitive harm to RAUTARUUKKI and PREMIER STEEL. Pursuant to 15 C.F.R. § 2003.6, the term "PUBLIC VERSION" appears on every page in which confidential business information has been deleted.

A business confidential version of this letter is being submitted today under separate cover.

Please do not hesitate to contact the undersigned if you have any questions.

Respectfully submitted,

/ s /

Frederick P. Waite
Kimberly R. Young

Attachments

Counsel for RAUTARUUKKI OYJ

ATTACHMENT 1

HOT-ROLLED BULB FLATS

(1) The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States

RAUTARUUKKI OYJ requests the exclusion of hot-rolled bulb flats which are imported into the United States under *Harmonized Tariff* number 7216.50.0000. These profiles are produced to millimetric dimensions with West European tolerances to EN 10067 / DIN 1019 and with steel grades (*i.e.*, physical characteristics and chemistry) in accordance with a respective shipbuilding classification society's standard/approval (*i.e.*, AMERICAN BUREAU OF SHIPPING = ABS; LLOYDS REGISTER OF SHIPPING = LRS, etc.).

(2) A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought

Bulb flats are a steel profile for shipbuilding and offshore applications, engineered with life-cycle attributes to impede corrosion while yielding superior strength to weight with reduced surface area. RAUTARUUKKI PROFILER produces bulb flats in widths of 100 to 430 millimeters. *See* Exhibit A (Product Brochure: "*Shipbuilding Profiles*").

(3) The basis for requesting an exclusion

There is no U.S. production of this product despite demand from customers in the United States. RAUTARUUKKI PROFILER (formerly FUNDIA PROFILER) has [

].

(4) The names and locations of any producers, in the United States and foreign countries, of the product

In addition to RAUTARUUKKI PROFILER in Norway, this product is also produced by CORUS in Great Britain, HOESCH in Germany, BELTRAME in Italy, and LOSAL in Spain. There is no U.S. production of this product.

(5) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection

PREMIER STEEL estimates that its imports of bulb flats account for approximately [ ] percent of total U.S. consumption of this product during the period of investigation. Future demand for this product is dependent on many variables related to current and future ship design, demand for commercial and military vessels, the availability of financing, and vessel construction time. The interplay of these variables makes it virtually impossible to predict future demand for

this product, [

].

TOTAL U.S. CONSUMP-TION	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
QTY (MT)	[									]
VALUE	[									]

(6) Total U.S. production of the product for each year from 1996 to 2000, if any

	1996	1997	1998	1999	2000
TOTAL U.S. PRODUCTION	0	0	0	0	0

(7) The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

There is no acceptable substitute for bulb-flats, which are engineered to impede corrosion and to provide superior structural strength versus weight in addition to extending the life-cycle attributes of the vessel (*i.e.*, reduced and more effective ship maintenance with less down time, increased cargo handling capability, and increased ship operating life). Bulb flats are built into the design of vessels because shipbuilding engineers and naval architects recognize that these specially engineered products are superior to standard commercially produced channels, angles, and I-

beams that are principally designed and intended for other applications. *See* Exhibit F ("*US Standard Sections Versus European Shipbuilding Profiles*"). To the best of our knowledge, bulb flats have not been produced in the United States since the 1960s.

	1996	1997	1998	1999	2000
TOTAL U.S. PRODUCTION OF SUBSTITUTE	N/A	N/A	N/A	N/A	N/A

ATTACHMENT 2

HOT-ROLLED T-BULB FLANGES

(1) The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States

RAUTARUUKKI OYJ requests the exclusion of hot-rolled T-bulb flanges which are classifiable under subheading 7216.50.0000 of the *Harmonized Tariff Schedule of the United States*. These profiles are produced to millimetric dimensions with tolerances to RAUTARUUKKI PROFILER's standards and steel grades (*i.e.*, physical characteristics and chemistry) in accordance with a respective shipbuilding classification society's standard/approval (*i.e.*, AMERICAN BUREAU OF SHIPPING = ABS; LLOYDS REGISTER OF SHIPPING = LRS, etc.).

(2) A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought

T-bulb flanges are a specialized steel product used for shipbuilding and offshore applications, engineered with life-cycle attributes to impede corrosion while yielding superior strength to weight with reduced surface area. RAUTARUUKKI PROFILER (formerly FUNDIA PROFILER) developed this proprietary shape, and the patent is pending. RAUTARUUKKI PROFILER can produce T-bulb flanges in eight widths from 90 to 250 millimeters and in thicknesses

ranging from 20 to 45 millimeters depending on the width. In all, there are 20 sizes of T-bulb flanges. *See* Exhibit A (Product Brochure: "*Shipbuilding Profiles*") and Exhibits C, D, and E (T-bulb Product Brochures).

(3) The basis for requesting an exclusion

T-bulb flanges are proprietary to RAUTARUUKKI PROFILER, hence there is no U.S. production of this product. Although no shipments of this product have been made to the United States as of yet, U.S. shipyards [

]. *See* Exhibit F ("*US Standard Sections Versus European Shipbuilding Profiles*").

(4) The names and locations of any producers, in the United States and foreign countries, of the product

None.

(5) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection

Future demand for this product is dependent on many variables related to current and future ship design, demand for commercial and military vessels, the availability of financing, and vessel construction time. The interplay of these variables makes it virtually impossible to predict future demand for this product, although [

].

TOTAL U.S. CONSUMPTION	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
QUANTITY (MT)	[									]
VALUE	[									]

(6) Total U.S. production of the product for each year from 1996 to 2000, if any

	1996	1997	1998	1999	2000
TOTAL U.S. PRODUCTION	0	0	0	0	0

HOT-ROLLED T-BULB FLANGES

ATTACHMENT 2 (PAGE 4)

(7) The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

	1996	1997	1998	1999	2000
TOTAL U.S. PRODUCTION OF SUBSTITUTE	N/A	N/A	N/A	N/A	N/A

T-BULB PROFILES

(1) The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States

RAUTARUUKKI OYJ requests the exclusion of T-bulb profiles which are classifiable under subheading 7301.20.1000 of the *Harmonized Tariff Schedule of the United States*. These profiles are produced to millimetric dimensions with tolerances to RAUTARUUKKI PROFILER's standards and steel grades (*i.e.*, physical characteristics and chemistry) in accordance with a respective shipbuilding classification society's standard/approval (*i.e.*, AMERICAN BUREAU OF SHIPPING = ABS; LLOYDS REGISTER OF SHIPPING = LRS, etc.).

(2) A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought

T-bulb profiles are a specialized welded steel product used for shipbuilding and offshore applications, engineered with life-cycle attributes to impede corrosion and yield superior strength to weight with reduced surface area while extending the lowest K-factor (fatigue) rating of any current symmetrical shipbuilding profile. RAUTARUUKKI PROFILER (formerly FUNDIA PROFILER) developed this proprietary shape, and the patent is pending. RAUTARUUKKI PROFILER can produce T-bulb profiles in standard web heights of 350 to 1,000 millimeters and in web

thicknesses of 11 to 16 millimeters. *See* Exhibit A (Product Brochure: "*Shipbuilding Profiles*") and Exhibits C, D, and E (T-bulb Product Brochures).

(3) The basis for requesting an exclusion

T-bulb profiles are proprietary to RAUTARUUKKI PROFILER, hence there is no U.S. production of this product. Although no shipments of this product have been made to the United States as of yet, U.S. shipyards [

]. *See* Exhibit F ("*US Standard Sections Versus European Shipbuilding Profiles*").

(4) The names and locations of any producers, in the United States and foreign countries, of the product

None.

(5) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection

Future demand for this product is dependent on many variables related to current and future ship design, demand for commercial and military vessels, the availability of financing, and vessel construction time. The interplay of these variables makes it virtually impossible to predict

future demand for this product, although [

].

TOTAL U.S. CONSUMPTION	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
QUANTITY (MT)	[									]
VALUE	[									]

(6) Total U.S. production of the product for each year from 1996 to 2000, if any

	1996	1997	1998	1999	2000
TOTAL U.S. PRODUCTION	0	0	0	0	0

(7) The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

	1996	1997	1998	1999	2000
TOTAL U.S. PRODUCTION OF SUBSTITUTE	N/A	N/A	N/A	N/A	N/A

ATTACHMENT 4

HOT-ROLLED NJA L-PROFILES

(1) The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States

RAUTARUUKKI OYJ requests the exclusion of hot-rolled NJA L-profiles which are imported into the United States under *Harmonized Tariff* number 7216.40.0000. These profiles are produced to millimetric dimensions with Norwegian/international tolerances to NS 2659/ ISO 657-18 and with steel grades (*i.e.*, physical characteristics and chemistry) in accordance with a respective shipbuilding classification society's standard/approval (*i.e.*, AMERICAN BUREAU OF SHIPPING = ABS; LLOYDS REGISTER OF SHIPPING = LRS, etc.).

(2) A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought

L-profiles are a specialized steel product used for shipbuilding and offshore applications, engineered with life-cycle attributes to impede corrosion while yielding superior strength to weight with reduced surface area. RAUTARUUKKI PROFILER produces L-profiles in sizes of 200 x 90 x 9 x 12 millimeters to 400 x 120 x 11.5 x 23 millimeters. *See* Exhibit A (Product Brochure: "*Shipbuilding Profiles*").

HOT-ROLLED NJAL-PROFILES

HOT-ROLLED NJA L-PROFILES

(3) The basis for requesting an exclusion

To the best of our knowledge, there is no U.S. production of this product.

(4) The names and locations of any producers, in the United States and foreign countries, of the product

To the best of our knowledge, RAUTARUUKKI PROFILER in Norway is the only producer of hot-rolled NJA L-profiles.

(5) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection

To the best of our knowledge, this product was imported directly by U.S. shipyards prior to 1996. Since that time, we are aware of no further imports or domestic production of this product. Nevertheless, demand for this product is expected to increase as the result of future ship construction which [

]. *See* Exhibit F ("*US Standard Sections Versus European Shipbuilding Profiles*").

TOTAL U.S. CONSUMPTION	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
QUANTITY (MT)	[									]
VALUE	[									]

HOT-ROLLED NJAL-PROFILES

(6) Total U.S. production of the product for each year from 1996 to 2000, if any

	1996	1997	1998	1999	2000
TOTAL U.S. PRODUCTION	0	0	0	0	0

(7) The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

	1996	1997	1998	1999	2000
TOTAL U.S. PRODUCTION OF SUBSTITUTE	N/A	N/A	N/A	N/A	N/A

MILLIMETRIC HOT-ROLLED UNIVERSAL MILL PLATE

(1) The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States

RAUTARUUKKI OYJ requests the exclusion of millimetric hot-rolled universal mill plate which is imported into the United States under *Harmonized Tariff* number 7211.13.0000. These profiles are produced to millimetric dimensions with West European tolerances to DIN 59200 and with steel grades (*i.e.*, physical characteristics and chemistry) in accordance with a respective shipbuilding classification society's standard/approval (*i.e.*, AMERICAN BUREAU OF SHIPPING = ABS; LLOYDS REGISTER OF SHIPPING = LRS, etc.).

(2) A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought

Millimetric universal mill plate is used as a structural member for shipbuilding and offshore applications of European design. RAUTARUUKKI PROFILER produces this product in sizes ranging from 151 x 6 millimeters to 600 x 50 millimeters. *See* Exhibit A (Product Brochure: "*Shipbuilding Profiles*").

(3) The basis for requesting an exclusion

There is no known U.S. production of this product despite demand from U.S. customers. RAUTARUUKKI PROFILER has [

] in the United States.

(4) The names and locations of any producers, in the United States and foreign countries, of the product

To the best of our knowledge, RAUTARUUKKI PROFILER in Norway is the only mill that produces millimetric universal mill plate in shipbuilding grades. Further, RAUTARUUKKI PROFILER knows of no U.S. steel mills that produce universal mill plate in millimetric dimensions for structural applications in shipbuilding; the U.S. industry does not provide separate data on production in millimetric dimensions.

(5) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection

Demand for this product is expected to increase as a result of future vessel construction.

[

]. *See* Exhibit F ("*US Standard Sections Versus European Shipbuilding Profiles*").

TOTAL U.S. CONSUMP-TION	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
QTY (MT)	[									]
VALUE	[									]

(6) Total U.S. production of the product for each year from 1996 to 2000, if any

	1996	1997	1998	1999	2000
TOTAL U.S. PRODUCTION	0	0	0	0	0

(7) The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

	1996	1997	1998	1999	2000
TOTAL U.S. PRODUCTION OF SUBSTITUTE	N/A	N/A	N/A	N/A	N/A